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Canada. Prices, Royal Commission on

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ROYAL COMMISSION

ON

PRICES



MINUTES OF PROCEEDINGS AND EVIDENCE

No. 42

WEDNESDAY, DECEMBER 15, 1948.

WITNESSES:

J. W. Buckley, General Secretary Treasurer, Trades and Labour Congress of Canada.

Percy R. Bengough, President, Trades and Labour Congress of Canada.

Gérard Picard, President, Canadian and Catholic Federation of Labour.

Jean Marchand, Secretary, Canadian and Catholic Federation of Labour.

OTTAWA
EDMOND CLOUTIER, C.M.G., B.A., L.Ph.,
PRINTER TO THE KING'S MOST EXCELLENT MAJESTY
CONTROLLER OF STATIONERY

1949

ment through an executive council, and the provincial government through what is known as our provincial executives which are elected at our annual conventions, or in some provinces through what is known as provincial federations of labour.

In the cities we have what is known as the Trades and Labour Councils which are city central bodies. Of these we have fifty-seven. They are in all of the major cities in Canada. The total unions in affiliation is in the neighbourhood of 3,400; that is, local unions and local bodies of various types which I have already set out.

The total membership is approximately 430,000 and some odd at the moment.

Q. You have prepared a brief addressed to the chairman of the Royal Commission on Prices. Will you please read that, Mr. Bengough?—A. May I say in explanation that we have not given figures or statistics on price increases because we felt that you would have a lot of that information by now, so we very much contented ourselves with what has actually taken place in the Trades and Labour Congress, dealing with the convention.

Our brief reads as follows:

To the Chairman and Members of the Royal Commission on Prices:

The Trades and Labour Congress of Canada is pleased to submit the following brief setting out the views of this Congress on the question of the need of price controls.

The question of increases in the cost of living is the most important question confronting the 400,000 citizens of Canada affiliated to this Congress. They, with their families, possibly represent the largest organized group of producers and consumers in Canada. Every price increase automatically becomes a corresponding reduction in their standard of living and naturally brings further demands for increases in wages.

While organized labour in seeking wage improvements has to appear before properly constituted government boards to justify the need for its requests, organized industry is practically uncontrolled and arbitrarily increases prices through the medium of cartels and combines, both national and international.

May I interject in one or two places here, or would you prefer that I went all through it first?

Q. I think it would be desirable for purposes of the record so that your brief will appear in the record as one unit. After you complete reading your brief, Mr. Bengough, I shall give you an opportunity to go back and make any comment you wish.—A. Thank you.

In the opinion of labour this is the root of present day evils tending to create dissatisfaction and unrest in the minds of the mass of the people continually finding it more difficult to live properly in the face of rising commodity costs, a condition that is deplorable to the many thousands of Canadian citizens on relatively low fixed incomes and particularly those on retirement pensions.

Organized labour is not opposed to free enterprise but we do firmly believe that it is the business of government to see that free enterprise does not abuse its privileges entirely by operating in a manner detrimental to the mass of the people. Unquestionably there is truth in the statement contained in the Rowell-Sirois Report (Book 1, page 148) which states:

Business organization has everywhere become increasingly monopolistic. In Canada industry, commerce and finance are highly centralized and in many branches a few enterprises dominate the field. Under such conditions the maintenance of prices is possible in the face of declining demands. The monopolistic producers may consider that

they are better off by selling less at higher prices than by selling more at lower prices. Consequently, the burden tends to fall upon the workers who lose their jobs through the reduction in output."

The result is that people generally are not participating in the vast improvements made in production processes in the manner that they should. Instead of a general distribution of more and cheaper goods and improvements in standards of living for the many, the trend is toward greater accumulation of wealth in the hands of the few to the increasing misery of the most.

It has been contended in many quarters that organized labour in constantly seeking higher wages is the cause of higher prices. It must be understood that the vast majority of the affiliated membership of this Congress are working under agreements with their employers covering wages and working conditions. While these many hundreds of agreements in effect throughout Canada may vary in many respects, they are invariably made for a stated period of twelve months or more and it is only on their termination that further increases are sought and then generally on account of the increases in the cost of living that have taken place during the preceding period. Wages do not rise with prices and our experience has shown that high prices for business do not necessarily mean good wages for workmen. As previously pointed out, price increases usually precede the requests for increases in wages.

President Truman of the United States has stated on more than one occasion that wage increases are fully justified unless business takes prompt steps to reduce prices and to make the free enterprise system work.

The late Hon. L. B. Schwallenback, United States Secretary of Labor, stated that the profits of industry and not wage increases are the cause of high prices.

Organized labor does not like this "donkey chasing the carrot" process. We never catch up with price increases and we cannot overlook the plight of our aged citizens and others unable to even get on the merry-go-round. We would much prefer more stability in the best interests of our country and its people.

At the recent convention of the British Trades Union Congress, held in Margate, England, the following opinion was expressed:

The wage earner would prefer a reduction in the price tags to a rise in the figures of the pay envelope and thereby see industry fulfilling its obligations to the community by an improved quality of its services and a vastly increased quantity of its products and while wages in this period would remain normal that there be a stricter limitation of profits.

No doubt Canadian labor would be in accord with such views.

The requests made to the government by The Trades and Labor Congress of Canada on the question of price control have been fairly consistent. In our memorandum presented to the Prime Minister and members of the dominion government by the executive council of The Trades and Labor Congress of Canada and an accompanying delegation of Canadian representatives of affiliated international and national unions, on March 28, 1947, the following was contained:

Price Control—During the war period no country did a better job than Canada in controlling the prices of commodities. This Congress fully realized the need of price control and strongly supported our government in its actions in this worthy objective. We conscientiously believe it is just as necessary now, if the evils of inflation are to be

avoided, that such controls be maintained. Frankly, we view with alarm the manner in which the government has weakened its effort in the direction of controlling prices. It must be recognized that every rise in costs is a corresponding reduction in the standard of living of most Canadian citizens and while, on the one hand, we see plenty of evidence of a desire to control labor, we see little or nothing being done in curtailing the activities of big business in the direction of excess profits, in the operation of cartels in eliminating competition and enhancing prices, in the prohibiting of watered stock and stock manipulation, the effects of which have and are still having a distinct adverse effect on the lives and standards of living of Canadian citizens to a far greater extent than the small wage increases that have been secured and which are now rapidly being lost in the payment of higher costs.

In the interests of the workers and of most Canadian people, we strongly urge our dominion government to reconsider the lifting of price controls and return to the able and efficient methods demonstrated in actual operation to be fully possible and workable.

In the memorandum presented to the government on March 4, 1948, the need for the re-establishment of price controls was set out as follows:

Need of Price Controls—We reiterate our statement of 1947 when we made our presentation that: "During the war period no country did a better job than Canada in controlling the prices of commodities and this Congress fully realizes the need for price controls and strongly supported the government in its actions in this worthy objective. We conscientiously believe it is just as necessary now, if the evils of inflation are to be avoided, that such controls be maintained."

It is noted in the speech from the throne that the ministers of the crown are concerned with increases in prices which have added to the cost of living and that, in certain instances, increases were unjustified and price ceilings had to be restored. We also note that a parliamentary committee has been set up to consider this vexatious question.

It is our opinion that had our requests been implemented and prices controlled on those essentials so necessary to the well-being of the community there would have been less demand for wage increases that were made mainly in an effort to keep up with the ever increasing cost of living.

According to a statement credited to the Hon. Mr. Ilsley, then Minister of Finance, the people of Canada had saved two billion five hundred million dollars at a cost of two hundred million dollars per year as a result of controls and subsidies. We believe that great savings would have continued to the people if subsidies and controls had been maintained.

We strongly urge your government to protect the Canadian standard of living by re-establishing price controls on all essential goods and by instituting a one hundred per cent tax on excess profits, by prosecuting all cartels, monopolies and speculators found guilty of profiteering.

Mr. Donald Gordon, as chairman, Wartime Prices and Trade Board, also expressed himself along the same lines as the Hon. Mr. Ilsley when he stated in a broadcast in November, 1946, that "under the price control system a subsidy paid to the primary producer prevents merchandising costs from pyramiding as the product passes through the hands of the wholesaler and retailer to the final consumer. The net result is that subsidies have cost the people of Canada as taxpayers far less than they would otherwise have paid as consumers."

At the convention of The Trades and Labour Congress of Canada, held in the city of Victoria, B.C., during the month of October last, resolutions were submitted from all sections of Canada dealing with this vexatious subject. The following composite resolution was unanimously endorsed:

Cost of Living and Price Control—Whereas the Canadian standard of living has been undermined by excessive price increases since the federal government dropped price controls and subsidies from bread, milk, meat and the main needs of the working man's family;

And whereas this has resulted in the worst kind of inflation, the reduction of the workers' wage dollar to less than 50 per cent of its 1938 purchasing power, thereby causing the annulment of labour's hard won wage gains, while on the other side of the ledger excessive profits of millions of dollars to the big industrialists and bankers is shown;

And whereas the 62nd annual convention of The Trades and Labour Congress of Canada warned the government that a lower standard of living for Canadians, inflation and economic collapse, with all its miserable consequences, would result unless the government followed a sane program of price controls and their enforcement;

And whereas while this process grows worse from day to day with continual price increases, our government, which has full authority to enact necessary measures, takes no steps to curb the profiteers;

Therefore be it resolved,—That this Trades and Labour Congress of Canada, in co-operation with provincial federations and provincial executives, trades and labour councils and local unions affiliated, conduct a campaign to arouse public opinion and bring pressure on the federal government to enact legislation embodying the following provisions:

1. Reinstitute the policy of granting of subsidies on basic food commodities and enforce a reduction in consumer prices;

2. As a means to meet the cost of subsidization and eliminate profiteering the 100 per cent excess profits tax be immediately reimposed; And be it further resolved,—That we demand that no further price increases on necessities of life be allowed and that the federal government immediately establish a price control board to which all applications for price increases shall be made and which should also review and examine all 1948 price increases;

And be it further resolved,—That it is urgently necessary, in the face of the price crisis now at hand, to advance and secure, through the power of our organized strength, substantial wage increases this year in all industries and trades."

It can be clearly seen by the foregoing just what the views of this Congress are on the question of rising costs and the need for the setting up by the federal government of a price control board to which all applications for price increases would be submitted and approved prior to their being put into effect.

Submitted on behalf of the Executive Council of The Trades and Labour Congress of Canada.

(Sgd.) PERCY R. BENGOUGH,
President.

(Sgd.) J. W. BUCKLEY,
General Secretary-Treasurer.

Q. Now, Mr. Bengough, perhaps you will be good enough to make any incidental comment that you yourself wish to make and which you have not made as you read the thing through. There was something on the first page that you were going to say.—A. I was only going to enlarge on the question there. It is mentioned briefly that organized labour, in seeking wage improvements, has to appear before properly constituted government boards. The position of our Congress, is, of course, simply this, we have requested and have secured at least the start of labour legislation in the way of what is known as Bill 195 with the idea of eliminating strikes and labour disputes of any description. They have to appear before that board and justify the need for an increase in wages.

That justification may be based of course on other issues outside the question of price increases, but that generally has been the one used of late. On the other hand of course the experience of people going into a store to buy the necessities of life is that there have been price rises, and there has been no place to go to justify that. You either take it or leave it, and the fact that people have to eat means that they just take it; and it is on that basis and with that idea in mind that we recommend that labour is quite prepared to submit its case to such tribunals.

The same and similar boards should be set up to deal with the prices of commodities.

Q. While you are on that— —A. Although of course there would be many things to come into it.

Q. While you are on that point, Mr. Bengough, perhaps it might be convenient for us to ask one or two questions before you go on to any other comment. Would you say, then, that the price of any article is not sufficiently controlled by the board consisting of the consumers of the country? In other words, you feel that the consumer is not able to take it or leave it?—A. No, in many other things, no. That applied only to the so-called luxuries. In the basic commodities, that is, in food, they have to take it.

Q. Generally, what industry says is— —A. The same with clothes.

Q. Generally, what industry says is that when it comes down to the retail level, to the consumer's level, that they are always faced with the necessity of producing something at a price at which people will buy, and that that is in effect a very good control. Your feeling is that it is not?—A. No, I would not say that; I do not think it is. It has been proven in the last year or so that that is not good control. People have to buy these things.

Q. Also in connection with the same paragraph, and going on to the sentence which you quoted, you go further and say that organized industry is practically uncontrolled and arbitrarily increases prices through the medium of cartels and combines, both national and international. Have you any specific examples that your Congress has studied in that connection?—A. Well, we have not studied them. We have seen a lot of them. I mean, it is common knowledge. For instance, in the baking industry during the last relatively few years we have seen baking concerns in various cities bought up by the milling companies. In many cases, in fact in all cases, outrageous prices have been paid. I mean, I know of cases myself, and I guess we all do. It stands to reason when such prices are paid that somebody has to pay the interest on that "stage" money, shall I say, which goes into it. That is chargeable only to the consumer and it does not tend to make a cheap commodity.

On the other hand, we have seen industries bought out and machinery scrapped in order to do away with competition. We would not say that that was good business. Again, that is done to enhance prices. That goes on, of course. The board that we suggest would have to go into that kind of thing and find out what real money was in the concern.

Q. I assume, Mr. Bengough, that you are aware that recently there has been an investigation made of the baking industry in western Canada under the provisions of the Combines Investigation Act?—A. There have been, of course, many investigations made, but there has been very little follow-up once conditions have been explained as they were found.

Q. Would you care to offer some criticism of the workings of the Combines Investigation Act in that respect?—A. I would say that they have done a wonderful job. That is my opinion, that they have done a good job, a fearless job, but once that was completed then I would say that the results have been pigeon-holed and no action has been taken so that really the good work that was done has been lost.

Q. There have been prosecutions, have there not, under the Combines Investigation Act?—A. In one or two cases, yes, in a modified form.

By the Chairman:

Q. Do you have particular cases in mind in connection with that pigeon-holing process? My impression is that the findings of the Commissioner under the Combines Investigation Act are referred to the provinces for action?—A. That is right; they are in many cases, yes, and lost there.

Q. We have had a number of representations of the general character of those which you have made, Mr. Bengough, that things are getting tougher and tougher for many people, yet the statistics contained in the brief of the Federation of Agriculture are very interesting. They have a table in there which shows what could be purchased in terms of one hour's wages, based on miners in Nova Scotia, carpenters in Toronto and machinists in Hamilton. They show that one hour's wages would buy 7.9 pounds of bread in 1901; roughly the same up to 1926, but in 1948 it would buy 13 pounds of bread.—A. They are dealing with carpenters. To some extent our people have kept up with it. I do not mind saying that, but I do not think they all have. After all, have not we to think about people who are old age pensioners and thousands of others who have not been able to do that?

Q. Teachers, professors and so on?—A. Yes, teachers, professors and people with fixed incomes. They have taken an awful rap. We have been in the battle and can struggle along and get something out of it.

By Mr. Dyde:

Q. Would you like to go ahead? Have you any comment incidentally on page 2 of your brief?—A. No, I do not think there is anything there.

Q. There is a question that I would like to ask, Mr. Bengough, in reference to page 2, about halfway down the page. You say: "The result is that people generally are not participating in the vast improvements made in production processes." Can you give me any further explanation or examples of that?—A. Well, what we have in mind is that people are not participating in the benefits of the machine.

Q. I was wondering whether you could be any more specific?—A. I think what we have in mind is that there should be a larger production of goods; that there should be more goods to be found at reasonable prices to enable them to lead their lives as they should be led. It is something that would take a volume to go into. That is what we really have in mind there. There has been some curtailment and prices have been raised. We think it should be done by greater production.

MR. BUCKLEY: May I point out that since 1939 we have increased our production fifty per cent due to labour-saving devices, mechanization and improved labour services. The result is that labour has not benefited as a result of the increased mechanization that has been put into industry. We find that

industry creates more watered stock when that is done, if I may say, and the result is that labour has not benefited from the increased productivity of the machine.

In our opinion wages should not be based on a fodder basis; that is, so many vitamins and proteins in order to keep the worker alive in order to perform his daily occupation. The worker should receive in wages an amount commensurate with the productivity of the machine.

We know that today we have solved the problem of production and the question that arises before us is that of consumption. We have increased our productivity. There is no denying the fact that we improved that during the war, but the fact is that in many cases the worker today is worse off due to the facts, as was pointed out, that his purchasing power is only fifty per cent of what it was in 1939 and yet, on the other hand, we have increased our productivity fifty per cent.

As an illustration I would refer you to the railroads. When I started railroading forty years ago I received a wage of 25 cents per hour. If I was working on the railroad today my wage would be about \$1.30 per hour. But that 25 cents which I received in those days purchased as much, if not more, as I could today. My standard of living was no worse then than it is today.

Mechanization has been increased. In those days men would be kept in employment until they were nearly eighty years of age, but today a man is too old at forty years. Those are factors that have to be considered.

It was pointed out before the Senate Committee on Immigration that due to mechanization in this country there is an increase equivalent to a working population of 250,000 people. If that is so, where is it going?

The CHAIRMAN: Have you anything further on page 2?

Mr. DYDE: No.

The CHAIRMAN: Page 3?

Mr. DYDE: I have no questions on page 3.

The WITNESS: In that connection I would say that we have a fairly close connection with the British Trades Union Congress. That is a question that has never been raised in our own Congress and we are merely expressing the view that Canadian labour would be in accord with those views.

By the Chairman:

Q. With regard to price control, referred to on page 4. I am not clear, Mr. Bengough, from the representations made here whether your argument for price control also includes wage control as part of the whole? Is that included?

—A. No.

The CHAIRMAN: Anything on page 5?

Mr. DYDE: I have nothing, sir.

By the Chairman:

Q. You have nothing further yourself, Mr. Bengough, to elaborate on on page 5?—A. No. I think it is fairly well covered.

The CHAIRMAN: Anything further on page 6?

Mr. DYDE: I have nothing further.

The WITNESS: The only suggestion there, of course, is that we think a board, a permanent board should be set up to operate in the same manner as the labour relations board. We think there should be such a board on prices.

The CHAIRMAN: I think we get the point of the brief, all right. Mr. Bengough. We appreciate your coming very much.

Mr. BUCKLEY: My reason for asking you not to include that is that I am a pensioner and I do not think that as far as I am concerned that I should try to bring them in.

Gerard Picard, sworn.

Jean Marchand, sworn.

—Theodore Lesperance, Counsel.

Mr. DYDE: Mr. Picard, would you give your full name, please?

Mr. PICARD: Gerard Picard.

Mr. DYDE: And your residence address?

Mr. PICARD: 1231 Demontigny St., Montreal.

Mr. DYDE: What is your position with the Canadian and Catholic Federation of Labour?

Mr. PICARD: I am president of the organization.

Mr. DYDE: Who is going to read the brief that is to be presented?

Mr. PICARD: I will read it.

Mr. DYDE: It will be read in French, I understand?

Mr. PICARD: In French, yes.

Mr. DYDE: Mr. Marchand, would you give your full name, please?

Mr. MARCHAND: Jean Marchand.

Mr. DYDE: And your residence address?

Mr. MARCHAND: 17 Curan Street, Quebec.

Mr. DYDE: And your position with the Canadian and Catholic Federation of Labour?

Mr. MARCHAND: Secretary?

Mr. DYDE: Mr. Lesperance, would you give your full name, please?

Mr. LESPERANCE: Theodore.

Mr. DYDE: And what is your connection with the Federation?

Mr. LESPERANCE: I am acting as legal adviser.

Mr. DYDE: You are a lawyer?

Mr. LESPERANCE: Yes, I am a member of the bar in the province of Quebec.

Mr. DYDE: Mr. Picard, would you please give us, either in English or French whichever is the most convenient for you, a brief description of the organization that you represent?

Mr. PICARD: The Canadian and Catholic Federation of Labour is the parent body representing about 350 trade unions, most of them being located in the province of Quebec. We have a membership in Ontario and New Brunswick, but only a few locals. Our total membership is roughly 80,000. We have a central council or regional councils, if I may say, and a trade union federation. I mean by that that the locals in an industry are generally affiliated with a federation, and the federation as such is then affiliated with our parent body.

The locals in a particular district are affiliated with a central council, which locals might be representing in any industry or trade.

Mr. DYDE: Will you proceed to read your brief?

Mr. PICARD: I will read the brief in French and give my explanation in French.

After English—

M. PICARD:

ARBITRAGE DES PRIX

La Confédération des Travailleurs Catholiques du Canada dont les effectifs se chiffrent approximativement à quatre vingt mille membres a adopté, lors de son dernier congrès, la résolution suivante pour être soumise à l'attention des autorités fédérales et provinciales de même qu'à la Commission Royale d'enquête sur les prix.

Que la C.T.C.C. demande au gouvernement fédéral et au gouvernement provincial, par voie de législation appropriée, l'institution de tribunaux d'arbitrage des prix qui auraient une double fonction:

- a) juger des motifs invoqués par les producteurs primaires ou par l'industrie de base du pays ou encore par les distributeurs des produits et services essentiels à la nation à l'appui des hausses de prix sollicitées et de les faire connaître au public s'ils ne sont pas justifiés.
- b) enquêter dans tout secteur de la vie économique afin de dépister les abus dans le domaine des prix et de les dénoncer publiquement de même que dans le domaine de la structure financière des entreprises en autant que cette structure peut influencer les prix.

MODE D'ÉTABLISSEMENT

Le gouvernement fédéral et les gouvernements provinciaux devraient s'entendre sur les principes et les principales dispositions de cette législation.

FORMATION

Nous suggérons que les provinces et le fédéral aient leurs propres tribunaux dont ils seraient maîtres de l'administration suivant les lignes de juridiction qui leur sont propres et qu'ils s'entendent sur la formation d'un tribunal national d'appel qui pourrait jouer le rôle de tribunal de première instance dans le cas des entreprises, producteurs ou distributeurs tombant normalement sous la juridiction fédérale.

POUVOIRS

- a) Que tous les producteurs primaires ou de base (v.g. ceux appartenant à l'industrie textile, du combustible, de l'électricité, de l'acier, de l'alimentation, de l'exploitation forestière des produits chimiques, des métaux, des mines, etc.,) et les distributeurs de services essentiels à la nation (v.g. chemins de fer, compagnies de navigation, de téléphone, de télégraphe, grossistes, etc.,) avant de hausser le prix de leurs produits ou services, de soumettre au tribunal d'arbitrage des prix qui aura juridiction une requête indiquant les raisons motivant leur demande.
- b) Que les tribunaux d'arbitrage aient tous les pouvoirs conférés aux commissions royales d'enquête.

DISPOSITIONS GÉNÉRALES

1. Aucun producteur tombant dans le champ d'application de la loi ne pourra augmenter ses prix avant qu'un mois ne se soit écoulé depuis la publication de la recommandation du tribunal d'arbitrage.

2. Si les motifs invoqués par le producteur ou distributeur ne sont pas jugés satisfaisants par le tribunal, ce dernier rendra public les raisons de sa décision à moins que le requérant retire son application.

3. Le requérant qui désire hausser ses prix devra fournir au tribunal toutes les informations sur son histoire ou situation financières, marchés, coût de revient, etc., mais ces informations demeureront confidentielles à moins que ledit requérant décide d'augmenter ses prix malgré la recommandation du tribunal.

4. Toute association reconnue et représentative pourra demander d'être entendue par le tribunal ou pourra lui adresser une demande d'enquête.

5. Le commerce de détail devra être formellement exclus du champ d'application de la loi en ce qui a trait à l'obligation de présenter une requête avant de hausser le prix des produits. Toutefois il pourra faire l'objet d'une enquête.

6. Sont exclus également l'agriculture et les coopératives.

COMPOSITION

Les tribunaux d'arbitrage des prix pourraient être composés de représentants:

- a) des producteurs;
- b) des associations ouvrières;
- c) des coopératives;
- d) du gouvernement.

Ces représentants seraient nommés par le gouvernement sur la recommandation des organisations ci-haut mentionnées et pourraient être remplacés de la même manière.

LA CONFÉDÉRATION DES TRAVAILLEURS CATHOLIQUES DU CANADA.

ARBITRATION OF PRICES

The Canadian and Catholic Confederation of Labour with a membership of approximately 80,000, had adopted at its last congress the following resolution to be submitted to the attention of the Dominion and Provincial authorities and to the Royal Commission on Prices:

That the C.T.C.C. suggests to the Dominion and Provincial Governments to establish, through proper legislation, price arbitration courts which would serve a twofold purpose:

- (a) to judge the grounds on which primary producers, or the country's basic industry, or still the distributors of essential products and services support their requests for price increases, and to place them before the public when they are not justified.
- (b) to enquire into all spheres of economic life in order to discover the abuses in the prices field and to expose them to the public. The same applies in the field of the financial structure of enterprises inasmuch as that structure may have an influence on prices.

MODE OF ESTABLISHMENT

The Dominion and provincial governments should agree on the principles and on the main provisions of such legislation.

ORGANIZATION

We suggest that the Provinces and the Dominion should have their own courts which they would administer within their respective jurisdiction, and should agree on the establishment of a national court of appeal which could be the court of first instance in the case of enterprises, producers or distributors normally under federal jurisdiction.

POWERS

- (a) All primary or basic producers (i.e. textile, fuel, electricity, steel, food, forest, chemical, metals, mining, etc. industries) and the distributors of essential services to the nation (i.e. railway, navigation, telephone, telegraph, etc., companies) before increasing the prices of their products or services, should be required to submit to the price arbitration court having jurisdiction, a request to that effect and the grounds on which it is based.
- (b) The arbitration courts should have all the powers of royal inquiry commissions.

GENERAL PROVISIONS

1. No producer coming under the act should be permitted to increase his prices until one month has elapsed after the publication of the recommendation of the arbitration court.

2. Should the grounds invoked by the producer or distributor be found insufficient, the court's decision should be published unless the petitioner withdraws his application.

3. Petitioners applying for a price increase should supply the court with all information concerning their past history, financial situation, markets, costs, etc.; such information would be confidential unless petitioners increase their prices against the recommendation of the court.

4. Any recognized and representative association should be entitled to be heard by the court or to submit an application for an inquiry.

5. The retail trade should be excluded from the application of the Act concerning the obligation of submitting a request for permission to increase the prices of products. However, it should be subject to inquiry.

6. Agriculture and co-operatives should equally be excluded.

COMPOSITION

The price arbitration courts should be composed of representatives of

- (a) producers,
- (b) labour organizations,
- (c) co-operatives,
- (d) the government.

These representatives could be appointed by the Government on the recommendation of the above-mentioned organizations, and could be replaced in the same manner.

(Sgd) GERARD PICARD,
*President,
 C.T.C.C.*

M. Bois: M. Picard, pourquoi n'avez-vous pas inclus l'agriculture et les coopératives?

M. PICARD: Lorsqu'il s'agit de l'agriculture, la Confédération des Travailleurs Catholiques du Canada croit qu'il n'y a pas là d'organisation, sous forme de cartel ou d'institution suffisamment puissante ou monopolisatrice, pour offrir un danger au point de vue des prix et qu'elle se trouve à avoir, dans une bonne mesure, en elle-même, son propre contrôle.

C'est la même chose pour le cas des coopératives, qui constituent, en somme, non pas un tribunal comme nous suggérons ici, mais qui constituent quand même une sorte de contrôle par rapport au champ d'activité de chacune des

coopératives en regard de leur concurrence, comme je pourrais dire, et ceci se trouve à refaire partiellement l'équilibre dans leur propre domaine et en regard de leur concurrence.

L'agriculture,—à cause du grand nombre d'agriculteurs et de la concurrence qu'ils se font les uns les autres,—ne présente pas de danger de coalition ou de danger de bénéfices excessifs, du moins je ne le crois pas.

M. BOIS: Est-ce à dire que tout votre projet repose uniquement sur le besoin, ou la nécessité, qu'il y aurait, ou qui prévaut à l'heure actuelle, de se protéger contre les monopoles et les grandes entreprises?

M. PICARD: Bien, nous sommes obligés de constater que dans les industries de base, par exemple, et dans les principaux services essentiels à la nation, nous sommes obligés de constater qu'il n'y a vraiment pas beaucoup de petites entreprises.

Si je prends les produits chimiques, je me rends fort bien compte qu'en dehors de la chaîne de la Nichols Chemical Company Limited, il n'y en a pas,—ou de la Canadian Industries Limited; et dans l'alimentation, si je prends des institutions comme les grandes salaisons, par exemple, je me rends fort bien compte, aussi, qu'il n'y a pas beaucoup de petits établissements, là. Du point de vue du public même, si les consommateurs essayaient de présenter une intervention efficace de ce côté-là, je crois qu'elle serait inutile parce que cela prend la force et l'autorité d'un gouvernement pour avoir l'œil sur ces institutions-là.

Ce que nous avons essayé de faire a été ceci, à date. On a surtout fait connaître qu'en matière de prix il pouvait y avoir un contrôle gouvernemental, ou bien qu'on pouvait laisser les gens se débrouiller. Nous croyons que le contrôle gouvernemental pourvoit une régulation permanente des prix; nous croyons que l'on n'obtiendrait probablement pas un résultat aussi efficace à moins que la mesure proposée fasse participer les intéressés d'une manière plus immédiate à la fixation des prix. D'autre part, il faut que l'opinion publique soit avertie et reste éveillée devant ce qui se passe dans le monde des prix.

Nous avons voulu, en somme, essayer d'éviter une tendance qui deviendrait par trop socialiste en ces matières. D'autre part, on pourrait échoir dans le monopole d'un régime libre de toute concurrence en apparence, excepté dans un certain nombre de sphères, où il n'existerait plus de concurrence du tout ou pratiquement pas, ce qui, par ailleurs, offrirait un certain danger au point de vue des consommateurs. Et, si nous admettons que les consommateurs auraient leur part d'action, indépendante de l'action gouvernementale, même si les consommateurs avaient cette part d'action ils n'auraient pas le contrôle des prix.

Nous croyons que dans le domaine des commerçants en détail, par exemple,—c'est la même chose pour l'agriculture ou pour les coopératives,—qu'il y a là une part du contrôle que les consommateurs doivent avoir, ils doivent en avoir leur part.

Mais là où les consommateurs peuvent difficilement faire une intervention qui soit efficace, et c'est ce que je veux dire, c'est lorsqu'il est bien difficile pour eux d'essayer de convaincre une grande entreprise monopolisatrice qu'elle ne doit pas hausser ses prix. Si par une action gouvernementale un tribunal d'arbitrage des prix était établi pour les obliger à donner leurs raisons pour hausser leurs prix, et où ces raisons invoquées seraient étudiées à fond, nous croyons que cela mettrait un terme à un bon nombre d'abus.

M. BOIS: Si vous voulez, nous allons prendre un exemple concret. Prenons le cas d'un produit dont le prix paraît excessif. Imaginons que votre bureau existe et que ce bureau décide si les prix sont exagérés. Le public présente ses raisons et vous nous donnez des informations au public, et là vous n'allez pas plus loin, si je comprends bien.

M. PICARD: Non.

M. BOIS: Là c'est laissé à la conscience publique ou à la conscience des consommateurs de décider ce qui va se faire.

M. PICARD: C'est cela.

M. BOIS: Si rien ne se fait, et s'il s'agit d'un produit essentiel?

M. PICARD: Il peut toujours, en fait, sur un cas d'espèce comme celui-là, et indépendamment du système toujours en fait, y avoir une action gouvernementale pour servir pour un cas comme celui-là et sans qu'elle se rattache au système général de la surveillance des prix. Cela est arrivé d'ailleurs à plusieurs reprises, et je crois que c'est par voie d'intervention spéciale et même par une législation tout à fait particulière. Les lois gouvernementales peuvent intervenir.

M. BOIS: Avez-vous un cas à signaler?

M. PICARD: Je prends pour exemple le cas des chemins de fer. Ils ont un moyen pour les contrôler, la Commission des Transports. Les chemins de fer n'arrivent pas en disant, nous haussons nos prix. Ils doivent aller s'expliquer. Avant de faire quoi que ce soit ils doivent obtenir une permission. Toute la procédure à suivre représente ce que vous avez en fait, c'est-à-dire une intervention par législation spéciale.

M. BOIS: Il n'y a, sans doute, que quelques chemins de fer.

M. PICARD: Certain, mais c'est un point. J'imagine un cas d'une entreprise qui ne soit pas déjà sous surveillance et qui se présente devant un tribunal comme celui qui est proposé. Le tribunal considère que les raisons données n'ont aucune valeur et qu'il ne devrait pas y avoir de hausse de prix. Mais on fait la hausse quand même. Je crois qu'à ce point de vue l'opinion publique d'abord serait révoltée à la vue d'une attitude comme celle-là. D'autre part le gouvernement, par une action spéciale, peut prendre, en dehors du système général, des mesures en conséquence. Par ailleurs c'est le régime lui-même que ces gens-là mettraient en danger. De plus, je crois que s'il y avait trop d'abus il serait nécessaire d'avoir une intervention continue du gouvernement.

Un cas assez typique s'est présenté non pas devant votre Commission mais devant le Comité de la Chambre des Communes lorsque la Canadian Celanese de Drummondville a été entendue. Les représentants de cette maison ont dit oui qu'ils avaient haussé les prix dans le temps. On leur a demandé s'ils auraient pu ne pas hausser leurs prix et ils ont répondu: nous aurions pu ne pas hausser nos prix. Puis on leur a demandé pourquoi ils les avaient haussés et ils ont répondu: c'est parce que cela nous regardait.

M. BOIS: C'était une attitude un peu brutale.

M. PICARD: Oui monsieur.

M. BOIS: Ce n'est pas toujours comme cela.

M. PICARD: J'imagine que ce n'est pas toujours comme cela mais c'est un cas qui peut se répéter malgré que cela n'a pas fait le tour du public. J'imagine tout de même qu'il existe des institutions qui attachent de l'importance à l'opinion publique et à un régime aussi souple que possible et où on leur donne l'occasion de faire leur part. S'il se commettait trop d'abus avec ce régime-là, il arriverait que l'on pourrait même tuer ce système que l'on aurait voulu tellement défendre.

M. BOIS: Un autre point de vue. J'imagine qu'à un moment donné il y ait une hausse rapide d'un produit de base d'un manufacturier. Celui-ci ne pourrait pas augmenter ses prix à moins d'avoir soumis son cas au bureau. Même si celui-ci répondait par l'affirmative, qu'il lui consentirait une augmentation, cela prendrait combien de temps?

M. MARCHAND: Si l'on prend une matière de base, cela a déjà passé par l'arbitrage.

M. BOIS: Oui et non, pas nécessairement.

M. MARCHAND: Une loi spéciale en ce cas...

M. BOIS: Supposons que ce serait une matière importée.

M. MARCHAND: Oui, ce serait possible, s'il y a une hausse rapide, dans ce temps-là, dans le cas d'une matière de base importée, le gouvernement peut toujours y voir par voie de subsides pendant qu'il essayerait de faire sa cause afin d'éviter une trop grande perturbation dans l'industrie, ce qui aurait pour effet de lui donner le temps de s'ajuster.

M. BOIS: J'imagine le cas d'une industrie à laquelle on demande une augmentation de salaire. Elle ne pourrait pas l'accorder avant d'avoir eu la certitude que son augmentation de prix souvent nécessaire à la suite d'une augmentation de salaire lui soit accordée ou non.

M. PICARD: Nous avons l'expérience de la période de guerre.

M. BOIS: Les salaires et tout étaient contrôlés.

M. PICARD: Sans doute. L'expérience de la période de guerre a indiqué qu'en dépit d'une hausse de salaire, même si elle n'a pas toujours été très substantielle, en certains cas elle a été nulle, en dépit d'une hausse de salaire il y a eu une période assez longue avant qu'il y ait augmentation sur les prix. Et, du point de vue pratique, cela n'a pas paru en affecter un très grand nombre. Je ne dis pas pour ce qui est des petits établissements, car nous sommes toujours sur les produits de base.

M. BOIS: Les petits suivront les gros nécessairement.

M. PICARD: La période d'attente ne peut pas être très longue. Si vous avez une période de quelques mois...

M. BOIS: Trois mois?

M. PICARD: Mettons trois mois. Cela va être extrêmement rare. Le cas urgent que vous avez mentionné pourrait peut-être mériter une attention spéciale. Là où il s'agit d'une matière première, surtout.

M. MARCHAND: Vous avez parlé d'une demande subite d'augmentation de salaire. Si à ce moment-là l'employeur ne croit pas qu'on va lui donner son augmentation, une augmentation dans ses prix en temps normal, la première chose qu'il a à faire c'est de refuser l'augmentation de salaire. Puis toute l'affaire va suivre la procédure habituelle d'une question d'arbitrage en même temps que l'autre cause suivra son cours. De cette façon cela ne causera aucun préjudice à personne.

M. PICARD: Il y a déjà une période de trois mois prévue pour l'arbitrage des salaires.

M. BOIS: Vous pensez qu'un manufacturier baisserait ses prix avec assurance, alors, en prévoyant que la situation pour la moitié de la production annuelle cesserait ou très probablement changerait dans six mois? parce qu'il va se demander encore: comment pourrais-je relever mes prix.

M. PICARD: Il va y avoir un bon nombre de cas, naturellement...

M. BOIS: Une autre affaire, si vous voulez me le permettre. Vous allez soumettre toute l'administration d'une entreprise à un bureau formé de représentants de producteurs, d'associations ouvrières de coopératives et du gouvernement. Vous n'avez pas peur de mettre entre les mains de ces gens des pouvoirs considérables sur la vie économique du pays? Vous ne pensez pas que ces gens-là seront un peu embarrassés pour juger du bien fondé des augmentations de prix? Si à un moment donné, par exemple, un industriel demande, fait une demande, supposons par définition qu'il voit plus clair que ses voisins si dans six mois ou un an il aura besoin de plus de capital pour améliorer son outillage ou sa production et sa fabrication?

M. PICARD: Du point de vue autorité ces gens-là peuvent avoir le pouvoir.

M. BOIS: Je comprends que vous ne voyez que l'opinion publique.

M. PICARD: Ils n'en n'auront pas plus du côté du public.

M. BOIS: Vous admettrez donc que votre système ne vaut rien. Vous pourriez faire abandonner un projet de développement simplement parce que cela affecterait la vie économique. Pensez-vous aux millions qui sont dépensés pour les recherches.

M. PICARD: C'est admis cela.

M. BOIS: A certain moment il y en a qui dépensent un et deux millions pour un projet qui a pour but d'augmenter la production mais qui aurait pour but d'augmenter le prix de fabrication à un moment donné, ce qui n'aurait pas été prévu. Et ceci est nécessaire car autrement il n'y aurait aucune initiative de prise.

M. MARCHAND: Si vous partez du principe qu'il n'y a rien à corriger, évidemment...

M. BOIS: Je ne pars d'aucun principe. Je veux savoir qu'est-ce que vous voulez dire exactement.

M. MARCHAND: On part du principe qu'il y a quelque chose à corriger. Même cette formule-là peut être améliorée et corrigée au besoin. On peut en faire quelque chose qui marchera bien. Je ne vois pas pourquoi elle ne pourrait pas être améliorée.

M. BOIS: Si je comprends bien, si votre proposition était adoptée et était mise en pratique elle n'alourdirait pas trop le fonctionnement de l'industrie et du commerce.

M. PICARD: Je ne le crois pas.

M. BOIS: Vous ne croyez pas non plus qu'elle servirait de frein plutôt que de stimulant au progrès?

M. MARCHAND: Si le progrès veut dire des abus comme il peut y en avoir présentement au Canada dans le domaine des prix, il ne peut servir que très peu au point de vue économique.

M. PICARD: Il y aurait un véritable frein si par exemple dans l'industrie ou dans le commerce il n'y avait aucun "delete" pour la dépréciation en vue de la loi de l'impôt.

M. BOIS: Qu'est-ce que vous voulez dire?

M. PICARD: Ils peuvent mettre de côté, avant le paiement de l'impôt, un montant qui, par la suite leur permet d'améliorer la machinerie. Là, ils ont déjà en main un élément qui leur aide à faire progresser leur entreprise. Je ne crois pas que ce soit simplement par l'intermédiaire d'un tribunal, qui n'affecte rien de cela, où en somme ils ont tout à y gagner, en gardant un contact étroit avec le public, pour éviter des abus.

M. MARCHAND: En lisant cette formule, on croit y lire que le contrôleur des prix et de la vie économique c'est le consommateur. Cette formule ne donne que le moyen d'informer, si vous voulez, pour pouvoir mener d'une façon excellente ce contrôle-là. Avec cette coopération de la part du consommateur nous croyons que les abus ne pourront pas se produire. S'il se commet certains abus ce ne sera pas sur l'échelle que l'on connaît présentement. Les secteurs pourront donner des informations afin que l'on sache à quoi s'en tenir sur la vie économique de la nation. A l'heure actuelle nous n'en n'avons pas ou presque pas. Ensuite nous autres, nous essayerons de les corriger s'il y en a.

M. BOIS: En d'autres termes, vous offrez la coopération des consommateurs?

M. PICARD: Nous offrons la coopération des consommateurs et de garder les consommateurs en vue aussi bien car ils doivent faire leur effort dans tout cela.

Mrs. SUTHERLAND: May a member union of your association be also a member of either of the others, the Canadian Congress of Labour or the Trades and Labour Congress of Canada?

Mr. PICARD: Very seldom, except you may have in some industries a very small percentage of these duplications between the unions. I think it is less than one per cent.

Mrs. SUTHERLAND: You have no meetings for electing your officers, have you?

Mr. PICARD: If we have meetings?

Mrs. SUTHERLAND: Yes.

Mr. PICARD: Yes.

Mrs. SUTHERLAND: Must each officer hold a union card? You must come from a union, must you?

Mr. PICARD: Absolutely, we must.

Mrs. SUTHERLAND: Have you women's organizations?

Mr. PICARD: Yes, in some cases; in the clothing business, for instance, we have a lot of women there, and in the corset industry, in the boot and shoe industry, the textile. I think I may say that we have probably six or seven thousand members female employees.

Mrs. SUTHERLAND: What proportion of the labour force of Quebec is in your federation? You have 80,000 members. What proportion would that be?

Mr. PICARD: I have not got the last figures in that connection but I think if you took the whole labour force—I cannot give the answer offhand.

The CHAIRMAN: What proportion of the organized labour group?

Mr. PICARD: We are the most representative labour organization in the province of Quebec. We know that the Trades and Labour Congress of Canada has a very important membership throughout the country but in the province of Quebec our membership is higher than the Trades and Labour Congress of Canada or the Canadian Congress of Labour.

The CHAIRMAN: Have you any questions, Mr. Dyde?

Mr. DYDE: No.

The CHAIRMAN: Gentlemen, I think that concludes the hearing for today. Thank you very much for being here.

Are there any further witnesses today, Mr. Dyde?

Mr. DYDE: No, sir.

The CHAIRMAN: Then we shall adjourn until tomorrow morning at 10.30 a.m.

The hearing adjourned at 11.45 a.m. until 10.30 Thursday, December 16, 1948.

